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FM AMEMBASSY TEGUCIGALPA

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INFO SECDEF WASHDC IMMEDIATE
NSC WASHDC IMMEDIATE
JOINT STAFF WASHDC IMMEDIATE
FAA NATIONAL HQ WASHDC IMMEDIATE
CDR USSOUTHCOM MIAMI FL IMMEDIATE
CDR USSOUTHCOM MIAMI FL//CINC/POLAD// IMMEDIATE
DEPT OF TRANSPORTATION WASHDC IMMEDIATE
DEPT OF COMMERCE WASHDC IMMEDIATE
WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
AMEMBASSY CARACAS PRIORITY
AMCONSUL MONTREAL PRIORITY

C O N F I D E N T I A L TEGUCIGALPA 000637

MONTREAL FOR USREP ICAO

E.O. 12958: DECL: 06/06/2018 TAGS: <u>EAIR PGOV PREL MARR HO</u>

SUBJECT: ZELAYA RELENTS ON TONCONTIN BUT PUSHES AHEAD ON

SOTO CANO

REF: A. TEGUCIGALPA 583

¶B. TEGUCIGALPA 541

¶C. TEGUCIGALPA 527

¶D. TEGUCIGALPA 526

Classified By: Amb. Charles Ford, E.O. 12958 Reason 1.4(d)

11. (C) Summary: Normal flights are expected to resume at Tegucigalpa's Toncontin Airport this week, more than five weeks after a Taca Airlines crash landing prompted President Zelaya to restrict operations there to small aircraft. Zelaya reversed himself over the weekend after the release of flight recorder data from the May 30 crash completely undercut his public justification for maintaining the restrictions. However, Zelaya remains determined to commercialize the Soto Cano airbase to eventually serve as the capital's sole international airport, albeit at a more rational pace. The USG will thus need to remain focused on protecting its interests at Soto Cano against further impetuous GOH moves. End Summary.

Background: How to Paint Yourself into a Corner

- 12. (SBU) As reported reftels, President Manuel Zelaya suspended flights into and out of Toncontin of aircraft with capacity exceeding 42 passengers May 30, after a Taca Airlines Airbus 320 skidded off the end of the runway, killing five. The following day he announced flights of larger aircraft would be diverted from Toncontin to the Soto Cano U.S.-Honduran military airfield at Palmerola, about 45 miles north of Tegucigalpa, within 60 days. He issued a decree declaring a state of emergency and asserting Toncontin was unsafe for large aircraft (category C and D). Zelaya stubbornly held to these positions despite broad and intensifying public opposition and mounting evidence that pilot error caused the crash. He ran fallacious TV ads denigrating Toncontin, which he called the most dangerous airport in the world.
- 13. (SBU) Zelaya reneged on a June 16 commitment to Tegucigalpa civic and business leaders to allow a commission to decide the fate of Toncontin based on advice from the International Civil Aviation Organization (ICAO). When an ICAO team issued recommendations a week later, Zelaya went on live TV and asserted disingenuously that the team had endorsed his restrictions (the ICAO report in fact said any restrictions should be based on performance, not passenger capacity). He established a second commision, excluding the airlines, to follow up on the ICAO recommendations, most of which merely reiterated observations from previous ICAO

visits dating to 1992.

14. (C) During the week of June 28, Zelaya and his civair DG, Guillermo Seaman, sought to impose arbitrary weight and passenger restrictions on the airlines as a condition for resuming operations. Zelaya, Seaman and other GOH officials suggested the carriers use Brazilian Embraer aircraft, which Taca already had on order. Seaman wrote to the airlines July 3 to suggest they switch to aircraft with capacity for 90-110 passengers — the capacity range of the Embraer line. American and Continental insisted they would not change equipment or accept weight limits beyond those in effect before the May 30 crash. But GOH officials stated publicly the airlines were in agreement with the proposed restrictions.

Black Box Belies the Spin

- 15. (C) Zelaya's public line on the airport, already weak and finding little popular support, became untenable after the transcript of the cockpit voice recorder from the May 30 Taca flight was analyzed in detail on live TV July 3 and published in full in the newspapers July 4. At the instruction of the NTSB, Embassy had provided data from the voice recorder and the flight data recorder to the chief accident investigator at the GOH civair authority (DGAC) July 2. The official receiving the data expressed concern to DATT that his boss, DG Seaman, would misrepresent the data publicly. He and other officials had previously told Emboffs that Zelaya had ignored technical advice concerning the airport and insisted that reports that did not support his positions be redrafted. Several DGAC officials had reportedly resigned in protest. Embassy therefore suspects DGAC officials leaked the transcript to prevent the information from being misused by Zelaya and his team.
- 16. (SBU) The flight recorder transcript showed that the pilot had disregarded the control tower and attempted to land under conditions that violated the rules in effect at the time with a strong tailwind, on a wet runway with poor visibility and a low cloud ceiling. Aviation experts analyzed the transcript for TV viewers and also explained, using technical data from Boeing, that the 737 used by Copa and Continental and the 757 used by American could land safely on the 1,800 meter runway at Toncontin. The Committee for the Defense of Toncontin an advocacy group thrown together four weeks ago by Tegucigalpa Mayor Ricardo Alvarez and local business groups began running TV spots immediately following Zelaya's anti-Toncontin ads, repeating part of the cockpit recording and concluding: "Mr. President, enough of your stubbornness and capriciousness; open the airport now!"
- 17. (U) Confronted by the press at the July 4 reception at the Ambassador's residence, Zelaya claimed he knew nothing about the black box data. Seaman, meanwhile, went on TV to denounce the Embassy for leaking the transcripts (we did not). He held up to the cameras a protest letter he was sending to the Ambassador (we have not received it).

Finding a Graceful Way Out

18. (SBU) Also at the July 4 reception, tycoon Fredy Nasser, who controls InterAirports, told Zelaya he had no interest in building a temporary terminal at Soto Cano, as mandated by Zelaya's June 14 Presidential decree. Apparently, under its contract, InterAirports would have right of first refusal for the construction contract but could not be obliged to build the terminal. Nasser also told DATT that he had told Zelaya that he would be interested in building a permanent terminal there only if he could build on both sides of the airstrip —i.e. if U.S. JTF-Bravo installations were removed.

19. (C) With his public "Toncontin is unsafe" line totally undercut and unable to compel anyone to build a terminal for him on the fly, we believe Zelaya had no choice but to climb

down from the mantle he had ascended May 30.

- 110. (U) Zelaya's private secretary, Raul Valladares, announced the evening of July 4 that category C and D aircraft would be allowed to resume operations at Toncontin July 7, with restrictions. Zelaya then signed an agreement with selected business leaders to allow Toncontin to return to normal operations temporarily, until a permanent international airport could be constructed at Palmerola/Soto Cano, with a four-lane highway connecting it to the capital -- a minimum of two years, which would ironically postpone the commencement of commercial flights there until after Zelaya leaves office.
- 111. (U) Zelaya then convened a cabinet meeting July 6 in Santa Lucia -- a tourist attraction outside Tegucigalpa that has suffered due to the airport closure -- to draft a decree overriding his earlier decrees and stipulating:
- -- Category C and D aircraft may resume operations at Toncontin, subject to restrictions (Comment: we are told by American and Continental reps that these restrictions are essentially those that were in effect before May 30, with minor adjustments to weight and balance. End Comment)
- -- Improvements at Toncontin recommended by ICAO (widening and extending the runway, installing signals, etc) are to be completed within 120 days.
- $\mbox{--}$ The GOH will negotiate a contract with InterAirports to build a permanent international passenger terminal at Soto Cano.
- -- When the terminal at Soto Cano is ready to receive international passenger flights, and when the four-lane highway connecting it to Tegucigalpa is completed, operations of category C and D aircraft at Toncontin will be terminated.
- 112. (U) Since July 6, both Continental and American local reps have confirmed to us that they had received notices to airmen (NOTAMs) from DGAC authorizing them to resume operations and that they planned to begin flying into Toncontin again as soon as they could locate aircraft and crew, which could take as long as three weeks in American's case.

Who Will Pay for All This?

- 113. (U) Minister of the Presidency Enrique Flores Lanza stated on a morning TV talkshow July 7 that IDB President Moreno had committed to Zelaya to finance construction of an airport at Palmerola. In his June 14 decree, Zelaya had mandated that a temporary terminal and all requisite infrastructure be constructed via no-bid contracts within 60 days and that the Finance Ministry make the necessary funds available.
- 114. (C) Finance Minister Rebecca Santos complained to Ambassador July 2 and to EconCouns July 4 that she was receiving budget requests pursuant to the June 14 decree that threatened to bust the budget. She told EconCouns such requests to date exceeded 180 million lempiras (USD 9.5 million). It is not yet clear what the status of those requests is in light of the July 7 decree, the full text of which we have not yet seen.

Comment: What Happens Now?

115. (C) The good news in all this is that civil society, represented by the Tegucigalpa Mayor and Chamber of Commerce and airport service providers, were able to mobilize quickly and successfully against a damaging and capricious GOH action. It also appears that at least some GOH officials demonstrated integrity and conscience by thwarting their

President's political manipulation of a public safety issue. The big winner politically appears to be Mayor Alvarez, who is now being widely mentioned as a vice presidential candidate next year for the opposition National Party. Losers include Zelaya, Civair DG Seaman (Zelaya reportedly asked for his resignation today) and Congressional leader and Presidential aspirant Roberto Micheletti, who vascillated throughout. We now expect Zelaya to manufacture additional crises in coming weeks to divert attention both from his airport pratfall and from growing public anxieties over food and fuel prices and rampant violent crime.

- 116. (C) From the USG perspective, now that the Battle of Toncontin appears to be ending, it is time to gear up for the longer-term Battle of Soto Cano. We can expect further impetuous moves by Zelaya's team in the year and a half they have left in office to play the nationalist card over the base and to throw construction business to allies. Our strategy should remain:
- -- Maintain a low public profile, stressing that what to do with the base is a sovereign Honduran decision.
- -- Stress privately the limited support U.S. Forces are able to provide for a commercial airport.
- $\mbox{--}$ Highlight the benefits of Soto Cano to Honduras and to the region.
- -- Make the GOH defend to its own people and to potential donors the economic feasibility of a commercial airport at Soto Cano.
- -- Work bilaterally and through IFIs to assure that any airport construction contracts are awarded transparently and within IMF fiscal and debt-sustainability parameters.

End Comment.

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